

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2017

Docket No. ACR2017

CHAIRMAN'S INFORMATION REQUEST NO. 18

(Issued February 13, 2018)

To clarify the basis of the Postal Service's FY 2017 Annual Compliance Report (ACR), filed December 29, 2017,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than February 20, 2018.

International Mail

1. Please refer to the discussion of Inbound Letter Post costs by shape provided in response to CHIR No. 10, question 6.² The Postal Service did not use the referenced shape-based costs³ data when developing or reporting costs for the Inbound Letter Post and Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 products.
 - a. Please discuss why the Postal Service did not disaggregate costs for these products by shape in the Domestic Processing Model.

¹ United States Postal Service FY 2017 Annual Compliance Report, December 29, 2017 (FY 2017 ACR).

² Responses of the United States Postal Service to Questions 1-7 of Chairman's Information Request No. 10, February 2, 2018 (Responses to CHIR No. 10).

³ Library Reference USPS-FY17-NP35, January 26, 2018, Excel file "USPSTrackingFY17.xlsx;" Docket No. R2017-4, Notice of United States Postal Service of Filing of Supplemental Financial Workpaper, February 10, 2017, Excel file "NONPUBLIC Cost by Shape FY16 v2.xlsx."

- b. Please discuss the advantages and disadvantages to disaggregating costs for these products by shape in the Domestic Processing Model in the future.
 - c. Please explain why the Postal Service did not use these shape-based costs in reporting cost coverage and contribution in the International Cost and Revenue Analysis (ICRA).
 - d. Please discuss the advantages and disadvantages to using these shape-based costs in reporting cost coverage and contribution in the ICRA in the future.
2. Please refer to the attachment provided in Responses to CHIR No. 10, question 7.⁴ Please provide revised “NSA Summary (Unified).xlsx” and “Reports (Unified).xlsx;” Excel files in Library Reference USPS–FY17–NP2, containing the full recalculation of unit costs detailed in the Postal Service’s Responses to CHIR No. 10, question 7.

By the Chairman.

Robert G. Taub

⁴ Responses to CHIR No. 10, question 7. The Postal Service filed its Responses to CHIR No. 10, question 7 under seal in Library Reference USPS–FY17–NP38. Notice of the United States Postal Service of Filing USPS–FY17–NP38 and Application for Nonpublic Treatment, February 2, 2018; see Library Reference USPS–FY17–NP38, February 2, 2018, Preface, Attachment.